

SENATE BILL 714

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2004 Regular Session
4r2826
CF 4r2218

By: **Senator Middleton**

Introduced and read first time: February 6, 2004

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Small Group Market - Modifications and Clarifications**

3 FOR the purpose of repealing a requirement that the Maryland Health Care
4 Commission develop a modified health benefit plan for medical savings
5 accounts; repealing a requirement that the Commission adopt certain
6 regulations that specify a modified health benefit plan for medical savings
7 accounts that meet certain federal qualifications; providing that the rate cap on
8 the Comprehensive Standard Health Benefit Plan in the small group market
9 does not apply for a certain period of time; providing for the termination of
10 certain provisions of this Act; and generally relating to medical savings accounts
11 and the rate cap in the small group health insurance market.

12 BY repealing and reenacting, with amendments,
13 Article - Health - General
14 Section 19-103(c)
15 Annotated Code of Maryland
16 (2000 Replacement Volume and 2003 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article - Insurance
19 Section 15-1207(a) and (c)
20 Annotated Code of Maryland
21 (2002 Replacement Volume and 2003 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

24 **Article - Health - General**

25 19-103.

26 (c) The purpose of the Commission is to:

- 1 (1) Develop health care cost containment strategies to help provide
2 access to appropriate quality health care services for all Marylanders, after
3 consulting with the Health Services Cost Review Commission;
- 4 (2) Promote the development of a health regulatory system that
5 provides, for all Marylanders, financial and geographic access to quality health care
6 services at a reasonable cost by:
 - 7 (i) Advocating policies and systems to promote the efficient
8 delivery of and improved access to health care services; and
 - 9 (ii) Enhancing the strengths of the current health care service
10 delivery and regulatory system;
- 11 (3) Facilitate the public disclosure of medical claims data for the
12 development of public policy;
- 13 (4) Establish and develop a medical care data base on health care
14 services rendered by health care practitioners;
- 15 (5) Encourage the development of clinical resource management systems
16 to permit the comparison of costs between various treatment settings and the
17 availability of information to consumers, providers, and purchasers of health care
18 services;
- 19 (6) In accordance with Title 15, Subtitle 12 of the Insurance Article,
20 develop:
 - 21 (i) A] A uniform set of effective benefits to be included in the
22 Comprehensive Standard Health Benefit Plan[]; and
 - 23 (ii) A modified health benefit plan for medical savings accounts[];
- 24 (7) Analyze the medical care data base and provide, in aggregate form,
25 an annual report on the variations in costs associated with health care practitioners;
- 26 (8) Ensure utilization of the medical care data base as a primary means
27 to compile data and information and annually report on trends and variances
28 regarding fees for service, cost of care, regional and national comparisons, and
29 indications of malpractice situations;
- 30 (9) Establish standards for the operation and licensing of medical care
31 electronic claims clearinghouses in Maryland;
- 32 (10) Reduce the costs of claims submission and the administration of
33 claims for health care practitioners and payors;
- 34 (11) Determine the cost of mandated health insurance services in the
35 State in accordance with Title 15, Subtitle 15 of the Insurance Article;

1 (12) Promote the availability of information to consumers on charges by
2 practitioners and reimbursements from payors; and

3 (13) Oversee and administer the Maryland Trauma Physician Services
4 Fund in conjunction with the Health Services Cost Review Commission.

5 **Article - Insurance**

6 15-1207.

7 (a) In accordance with Title 19, Subtitle 1 of the Health - General Article, the
8 Commission shall adopt regulations that specify[:

9 (1)] the Comprehensive Standard Health Benefit Plan to apply under this
10 subtitle]; and

11 (2) a modified health benefit plan for medical savings accounts that
12 qualify under the federal Health Insurance Portability and Accountability Act of 1996,
13 including:

14 (i) a waiver of deductibles as permitted under federal law;

15 (ii) minimum funding standards for medical savings accounts; and

16 (iii) authorization for offering the modified plan only by those
17 persons who offer the Comprehensive Standard Health Benefit Plan adopted in
18 accordance with item (1) of this subsection].

19 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
20 read as follows:

21 **Article - Insurance**

22 15-1207.

23 (c) (1) Subject to [paragraph (2)]PARAGRAPHS (2) AND (3) of this subsection,
24 the Commission shall exclude or limit benefits or adjust cost-sharing arrangements
25 in the Standard Plan if the average rate for the Standard Plan exceeds 10% of the
26 average annual wage in the State.

27 (2) The Commission annually shall determine the average rate for the
28 Standard Plan by using the average rate submitted by each carrier that offers the
29 Standard Plan.

30 (3) THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION ARE
31 NOT APPLICABLE TO THE STANDARD PLAN THAT IS EFFECTIVE FOR THE PERIOD
32 FROM JULY 1, 2004 THROUGH JUNE 30, 2006.

33 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 July 1, 2004. Section 2 of this Act shall remain effective for a period of 2 years and, at

- 1 the end of June 30, 2006, with no further action required by the General Assembly,
- 2 Section 2 of this Act shall be abrogated and of no further force and effect.